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AGENDA

EBS/83/102
Correction 1

CONFIDENTIAL

June 10, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Panama - Staff Report for the 1983 Article IV Consultation
and Request for Stand-By Arrangement

The following corrections have been made in in EBS/83/102
(5/24/83):

Page 29, last line, column 1: for "353.8" read "361.5"
column 2: for "-1.6" read "-9.1"
column 4: for "-211.6" read "-81.7"
column 5: for "96.0" read "152.8"

footnote 3: for "gross disbursement minus debt service payment."
read "net disbursement minus interest payments."

A corrected page is attached.

Att: (1)

Table 13. Panama: External Public Debt Operations,^{1/} 1978-82

(In millions of U.S. dollars)

	1978	1979	1980	1981	1982
<u>Total external public debt outstanding</u>	<u>1,974.0</u>	<u>2,167.9</u>	<u>2,400.7</u>	<u>2,602.5</u>	<u>3,105.6</u>
<u>Transactions during period</u>					
<u>Nonfinancial public sector</u>	<u>485.9</u>	<u>195.7</u>	<u>236.6</u>	<u>59.5</u>	<u>430.0</u>
<u>Medium- and long-term debt</u>	<u>536.9</u>	<u>186.2</u>	<u>191.8</u>	<u>85.6</u>	<u>411.1</u>
Drawings	(968.2)	(390.8)	(394.6)	(301.5)	(716.8)
Amortization	(-437.7)	(-204.2)	(-211.8)	(-213.8)	(-299.9)
Adjustments	(6.4)	(-0.4)	(9.0)	(-2.1)	(-5.8)
Short-term debt	-51.0	9.5	44.8	-26.1	18.9
<u>National Bank of Panama</u>	<u>7.0</u>	<u>-1.8</u>	<u>-3.8</u>	<u>142.3</u>	<u>73.1</u>
<u>Medium- and long-term debt</u>	<u>5.7</u>	<u>5.3</u>	<u>8.6</u>	<u>10.3</u>	<u>10.5</u>
Drawings	(11.3)	(6.8)	(10.5)	(11.7)	(13.4)
Amortization	(-5.6)	(-1.5)	(-1.9)	(-1.4)	(-2.9)
Changes in liabilities to Venezuela and Mexico ^{2/}	--	4.0	6.0	61.4	72.3
Changes in liabilities to IMF	1.3	-11.1	-18.4	70.6	-9.7
<u>Total interest payments</u>	<u>131.4</u>	<u>203.0</u>	<u>255.3</u>	<u>283.5</u>	<u>350.3</u>
<u>Debt service payments</u>	<u>574.7</u>	<u>428.7</u>	<u>469.0</u>	<u>498.7</u>	<u>653.1</u>
Of which: excluding refinancing operations	324.7	408.7	469.0	448.7	523.1
<u>Net foreign resource transfer; outflow (-) ^{3/}</u>	<u>361.5</u>	<u>-9.1</u>	<u>-22.5</u>	<u>-81.7</u>	<u>152.8</u>

Sources: Office of the Controller General; National Bank of Panama; and Fund staff estimates.

^{1/} Includes debt contracted with local branches of foreign banks.

^{2/} Under the San Jose Oil Agreement.

^{3/} Defined as net disbursement minus interest payments.

Table 14. Panama: External Public Debt Indicators

(In per cent)

	1978	1979	1980	1981	1982	Proj. 1983
<u>Debt service ratios 1/</u>						
<u>To public sector receipts 2/</u>	50.2	53.1	42.6	36.1	38.8	37.4
Interest payments	20.3	26.4	23.2	22.8	26.0	22.8
Amortization	29.9	26.7	19.4	13.3	12.8	14.6
<u>To GDP</u>	13.3	14.5	13.4	11.5	12.4	12.0
Interest payments	5.4	7.2	7.3	7.3	8.3	7.5
Amortization	7.9	7.3	6.1	4.2	4.1	4.5
<u>To exports of goods and nonfactor services</u>	34.1	34.9	30.0	27.4	31.4	28.4
Interest payments	13.8	17.3	16.3	17.3	21.0	17.3
Amortization	20.3	17.6	13.7	10.1	10.4	11.1
<u>External public debt ratio to GDP</u>	80.5	77.4	68.4	67.0	73.5	75.3
Multilateral and bilateral agencies	22.1	20.9	18.2	21.0	23.4	28.1
Of which: IMF	(2.1)	(1.5)	(0.6)	(2.4)	(2.0)	(4.5)
Debt contracted at commercial terms	58.4	56.5	50.2	46.0	50.1	47.2
<u>Effective interest rates 3/</u>						
On total external public debt	7.6	9.8	11.2	11.3	12.3	10.4
On debt contracted at fixed rates	5.1	6.6	7.2	6.6	6.8	7.9
On debt contracted at variable rates	9.6	12.6	14.3	15.1	16.6	12.5
<u>Memorandum item</u>						
Six-month LIBOR 4/	7.5	10.7	13.7	15.0	15.8	11.0

Sources: Office of the Controller General; National Bank of Panama; and Fund staff estimates.

1/ Because Panama has no central bank and uses the U.S. dollar as its medium of exchange, the debt service ratio to public sector receipts and to gross domestic product are a more meaningful measure of debt burden than the more traditional ratio to export of goods and nonfactor services. Amortization excludes refinancing operations.

2/ Public sector receipts are defined as the sum of general government revenue and the operating surplus of the state enterprises before interest payments.

3/ Interest rate on average debt outstanding during the period.

4/ Average for 12-month period ending June.